

AMENDED IN ASSEMBLY JUNE 25, 2013

AMENDED IN ASSEMBLY JUNE 11, 2013

AMENDED IN SENATE APRIL 15, 2013

SENATE BILL

No. 745

**Introduced by Committee on Transportation and Housing (Senators
DeSaulnier (Chair), Beall, Cannella, Gaines, Galgiani, Hueso,
Lara, Liu, Pavley, Roth, and Wyland)**

February 22, 2013

An act to amend Sections 1101.5, 1941.4, 2924b, 4005, 4035, 4070, 4090, 4205, 4290, 4350, 4525, 4528, 4530, and 4920 of, and to repeal Sections 1363.05, 1368, and 1368.2 of, the Civil Code, to amend Sections 12191 and 65582 of, and to repeal Section 65585.2 of, the Government Code, and to amend Sections 13114 and 50675.14 of the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

SB 745, as amended, Committee on Transportation and Housing. Housing.

(1) Existing law requires on and after January 1, 2014, replacement of noncompliant plumbing fixtures in multifamily residential real property and commercial real property, as specified.

This bill would make a technical nonsubstantive change.

(2) Existing law, the Davis-Sterling Common Interest Development Act defines and regulates common interest developments. Operative January 1, 2014, the act will be reorganized and recodified.

This bill would repeal provisions of the act that are superseded by the reorganization and recodification of the act. The bill would make other conforming changes, would authorize an action that is required

to be approved by a majority of a quorum of the members at a duly held meeting at which a quorum is present to, instead, be approved by a majority in a duly held election in which a quorum is represented, would revise provisions governing inconsistencies between the governing documents and the law and other inconsistencies to instead apply to conflicts, would authorize delivery of documents to the homeowner's association by specified types of mail delivery, would revise requirements for a board teleconference and the form for billing disclosures, and would prohibit cancellation fees for requests for documents, as specified.

(3) Existing law requires the lessor of a building intended for residential occupation to ensure that the inside telephone wiring meets the applicable standards of the most recent National Electrical Code.

This bill would replace the reference to the National Electrical Code with the California Electrical Code.

(4) Existing law requires the State Fire Marshal to adopt regulations to control the quality and installation of fire alarm systems and devices, and prohibits the marketing, distribution, or sale of any fire alarm system or device that has not been approved by the State Fire Marshal.

Existing law, commencing January 1, 2014, requires a smoke alarm to meet prescribed requirements, including, but not limited to, the requirement that it incorporate an end-of-life feature that provides notice that the device needs to be replaced and that it, if battery operated, contain a nonreplaceable, nonremovable battery capable of powering the smoke alarm at least 10 years in order for the smoke alarm to be approved by the State Fire Marshal. Existing law authorizes the State Fire Marshal to suspend enforcement of this requirement for a period not to exceed 6 months.

~~This bill would, commencing July 1, 2014, recast those provisions to, instead, require~~ *would recast those provisions to, instead, require commencing July 1, 2014,* a smoke alarm that is only battery operated to contain a nonreplaceable, nonremovable battery capable of powering the smoke alarm for at least 10 years in order to be approved by the State Fire Marshal. The bill would also require, commencing January 1, 2015, a smoke alarm to display the manufacture date, provide a place to write the date of installation on the device, and incorporate a hush feature in order for the State Fire Marshal to approve it. The bill would delete the authority for the State Fire Marshal to suspend enforcement of these requirements, *and would authorize the State Fire Marshal to adopt exceptions through its regulatory process.*

(5) This bill would delete an obsolete provision related to eligibility for funding under the Housing and Emergency Shelter Trust Fund Act of 2002.

(6) *This bill would incorporate additional changes to Section 2924b of the Civil Code proposed by Senate Bill 752 that would become operative if this bill and Senate Bill 752 are enacted and this bill is enacted last.*

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1101.5 of the Civil Code is amended to
2 read:
3 1101.5. (a) On or before January 1, 2019, all noncompliant
4 plumbing fixtures in any multifamily residential real property and
5 in any commercial real property shall be replaced with
6 water-conserving plumbing fixtures.
7 (b) An owner or the owner's agent may enter the owner's
8 property for the purpose of installing, repairing, testing, and
9 maintaining water-conserving plumbing fixtures required by this
10 section, consistent with notice requirements of Section 1954.
11 (c) On and after January 1, 2019, the water-conserving plumbing
12 fixtures required by this section shall be operating at the
13 manufacturer's rated water consumption at the time that the tenant
14 takes possession. A tenant shall be responsible for notifying the
15 owner or owner's agent if the tenant becomes aware that a
16 water-conserving plumbing fixture within his or her unit is not
17 operating at the manufacturer's rated water consumption. The
18 owner or owner's agent shall correct an inoperability in a
19 water-conserving plumbing fixture upon notice by the tenant or if
20 detected by the owner or the owner's agent.
21 (d) (1) On and after January 1, 2014, all noncompliant plumbing
22 fixtures in any multifamily residential real property and any
23 commercial real property shall be replaced with water-conserving
24 plumbing fixtures in the following circumstances:
25 (A) For building additions in which the sum of concurrent
26 building permits by the same permit applicant would increase the
27 floor area of the space in a building by more than 10 percent, the

1 building permit applicant shall replace all noncompliant plumbing
2 fixtures in the building.

3 (B) For building alterations or improvements in which the total
4 construction cost estimated in the building permit is greater than
5 one hundred fifty thousand dollars (\$150,000), the building permit
6 applicant shall replace all noncompliant plumbing fixtures that
7 service the specific area of the improvement.

8 (C) Notwithstanding subparagraph (A) or (B), for any alterations
9 or improvements to a room in a building that require a building
10 permit and that room contains any noncompliant plumbing fixtures,
11 the building permit applicant shall replace all noncompliant
12 plumbing fixtures in that room.

13 (2) Replacement of all noncompliant plumbing fixtures with
14 water-conserving plumbing fixtures, as described in paragraph (1),
15 shall be a condition for issuance of a certificate of final completion
16 and occupancy or final permit approval by the local building
17 department.

18 (e) On and after January 1, 2019, a seller or transferor of
19 multifamily residential real property or of commercial real property
20 shall disclose to the prospective purchaser or transferee, in writing,
21 the requirements of subdivision (a) and whether the property
22 includes any noncompliant plumbing fixtures. This disclosure may
23 be included in other transactional documents.

24 SEC. 2. Section 1363.05 of the Civil Code is repealed.

25 SEC. 3. Section 1368 of the Civil Code is repealed.

26 SEC. 4. Section 1368.2 of the Civil Code is repealed.

27 SEC. 5. Section 1941.4 of the Civil Code is amended to read:

28 1941.4. The lessor of a building intended for the residential
29 occupation of human beings shall be responsible for installing at
30 least one usable telephone jack and for placing and maintaining
31 the inside telephone wiring in good working order, shall ensure
32 that the inside telephone wiring meets the applicable standards of
33 the most recent California Electrical Code, and shall make any
34 required repairs. The lessor shall not restrict or interfere with access
35 by the telephone utility to its telephone network facilities up to the
36 demarcation point separating the inside wiring.

37 “Inside telephone wiring” for purposes of this section, means
38 that portion of the telephone wire that connects the telephone
39 equipment at the customer’s premises to the telephone network at

1 a demarcation point determined by the telephone corporation in
2 accordance with orders of the Public Utilities Commission.

3 SEC. 6. Section 2924b of the Civil Code is amended to read:

4 2924b. (a) Any person desiring a copy of any notice of default
5 and of any notice of sale under any deed of trust or mortgage with
6 power of sale upon real property or an estate for years therein, as
7 to which deed of trust or mortgage the power of sale cannot be
8 exercised until these notices are given for the time and in the
9 manner provided in Section 2924 may, at any time subsequent to
10 recordation of the deed of trust or mortgage and prior to recordation
11 of notice of default thereunder, cause to be filed for record in the
12 office of the recorder of any county in which any part or parcel of
13 the real property is situated, a duly acknowledged request for a
14 copy of the notice of default and of sale. This request shall be
15 signed and acknowledged by the person making the request,
16 specifying the name and address of the person to whom the notice
17 is to be mailed, shall identify the deed of trust or mortgage by
18 stating the names of the parties thereto, the date of recordation
19 thereof, and the book and page where the deed of trust or mortgage
20 is recorded or the recorder's number, and shall be in substantially
21 the following form:

22
23 "In accordance with Section 2924b, Civil Code, request is hereby
24 made that a copy of any notice of default and a copy of any notice of sale
25 under the deed of trust (or mortgage) recorded _____, _____, in Book
26 _____ page _____ records of _____ County, (or filed for record with
27 recorder's serial number _____, _____ County) California, executed
28 by _____ as trustor (or mortgagor) in which _____ is named as
29 beneficiary (or mortgagee) and _____ as trustee be mailed to
30 _____ at _____.
31 Name Address

32 NOTICE: A copy of any notice of default and of any notice of sale will be
33 sent only to the address contained in this recorded request. If your address
34 changes, a new request must be recorded.

35 Signature _____"

36
37 Upon the filing for record of the request, the recorder shall index
38 in the general index of grantors the names of the trustors (or
39 ~~mortgagor~~ mortgagors) recited therein and the names of persons
40 requesting copies.

(b) The mortgagee, trustee, or other person authorized to record the notice of default or the notice of sale shall do each of the following:

(1) Within 10 business days following recordation of the notice of default, deposit or cause to be deposited in the United States mail an envelope, sent by registered or certified mail with postage prepaid, containing a copy of the notice with the recording date shown thereon, addressed to each person whose name and address are set forth in a duly recorded request therefor, directed to the address designated in the request and to each trustor or mortgagor at his or her last known address if different than the address specified in the deed of trust or mortgage with power of sale.

(2) At least 20 days before the date of sale, deposit or cause to be deposited in the United States mail an envelope, sent by registered or certified mail with postage prepaid, containing a copy of the notice of the time and place of sale, addressed to each person whose name and address are set forth in a duly recorded request therefor, directed to the address designated in the request and to each trustor or mortgagor at his or her last known address if different than the address specified in the deed of trust or mortgage with power of sale.

(3) As used in paragraphs (1) and (2), the “last known address” of each trustor or mortgagor means the last business or residence physical address actually known by the mortgagee, beneficiary, trustee, or other person authorized to record the notice of default. For the purposes of this subdivision, an address is “actually known” if it is contained in the original deed of trust or mortgage, or in any subsequent written notification of a change of physical address from the trustor or mortgagor pursuant to the deed of trust or mortgage. For the purposes of this subdivision, “physical address” does not include an email or any form of electronic address for a trustor or mortgagor. The beneficiary shall inform the trustee of the trustor’s last address actually known by the beneficiary. However, the trustee shall incur no liability for failing to send any notice to the last address unless the trustee has actual knowledge of it.

(4) A “person authorized to record the notice of default or the notice of sale” shall include an agent for the mortgagee or beneficiary, an agent of the named trustee, any person designated

1 in an executed substitution of trustee, or an agent of that substituted
2 trustee.

3 (c) The mortgagee, trustee, or other person authorized to record
4 the notice of default or the notice of sale shall do the following:

5 (1) Within one month following recordation of the notice of
6 default, deposit or cause to be deposited in the United States mail
7 an envelope, sent by registered or certified mail with postage
8 prepaid, containing a copy of the notice with the recording date
9 shown thereon, addressed to each person set forth in paragraph
10 (2), provided that the estate or interest of any person entitled to
11 receive notice under this subdivision is acquired by an instrument
12 sufficient to impart constructive notice of the estate or interest in
13 the land or portion thereof that is subject to the deed of trust or
14 mortgage being foreclosed, and provided the instrument is recorded
15 in the office of the county recorder so as to impart that constructive
16 notice prior to the recording date of the notice of default and
17 provided the instrument as so recorded sets forth a mailing address
18 that the county recorder shall use, as instructed within the
19 instrument, for the return of the instrument after recording, and
20 which address shall be the address used for the purposes of mailing
21 notices herein.

22 (2) The persons to whom notice shall be mailed under this
23 subdivision are:

24 (A) The successor in interest, as of the recording date of the
25 notice of default, of the estate or interest or any portion thereof of
26 the trustor or mortgagor of the deed of trust or mortgage being
27 foreclosed.

28 (B) The beneficiary or mortgagee of any deed of trust or
29 mortgage recorded subsequent to the deed of trust or mortgage
30 being foreclosed, or recorded prior to or concurrently with the
31 deed of trust or mortgage being foreclosed but subject to a recorded
32 agreement or a recorded statement of subordination to the deed of
33 trust or mortgage being foreclosed.

34 (C) The assignee of any interest of the beneficiary or mortgagee
35 described in subparagraph (B), as of the recording date of the notice
36 of default.

37 (D) The vendee of any contract of sale, or the lessee of any
38 lease, of the estate or interest being foreclosed that is recorded
39 subsequent to the deed of trust or mortgage being foreclosed, or
40 recorded prior to or concurrently with the deed of trust or mortgage

1 being foreclosed but subject to a recorded agreement or statement
2 of subordination to the deed of trust or mortgage being foreclosed.

3 (E) The successor in interest to the vendee or lessee described
4 in subparagraph (D), as of the recording date of the notice of
5 default.

6 (F) The office of the Controller, Sacramento, California, where,
7 as of the recording date of the notice of default, a “Notice of Lien
8 for Postponed Property Taxes” has been recorded against the real
9 property to which the notice of default applies.

10 (3) At least 20 days before the date of sale, deposit or cause to
11 be deposited in the United States mail an envelope, sent by
12 registered or certified mail with postage prepaid, containing a copy
13 of the notice of the time and place of sale addressed to each person
14 to whom a copy of the notice of default is to be mailed as provided
15 in paragraphs (1) and (2), and addressed to the office of any state
16 taxing agency, Sacramento, California, that has recorded,
17 subsequent to the deed of trust or mortgage being foreclosed, a
18 notice of tax lien prior to the recording date of the notice of default
19 against the real property to which the notice of default applies.

20 (4) Provide a copy of the notice of sale to the Internal Revenue
21 Service, in accordance with Section 7425 of the Internal Revenue
22 Code and any applicable federal regulation, if a “Notice of Federal
23 Tax Lien under Internal Revenue Laws” has been recorded,
24 subsequent to the deed of trust or mortgage being foreclosed,
25 against the real property to which the notice of sale applies. The
26 failure to provide the Internal Revenue Service with a copy of the
27 notice of sale pursuant to this paragraph shall be sufficient cause
28 to rescind the trustee’s sale and invalidate the trustee’s deed, at
29 the option of either the successful bidder at the trustee’s sale or
30 the trustee, and in either case with the consent of the beneficiary.
31 Any option to rescind the trustee’s sale pursuant to this paragraph
32 shall be exercised prior to any transfer of the property by the
33 successful bidder to a bona fide purchaser for value. A rescission
34 of the trustee’s sale pursuant to this paragraph may be recorded in
35 a notice of rescission pursuant to Section 1058.5.

36 (5) The mailing of notices in the manner set forth in paragraph
37 (1) shall not impose upon any licensed attorney, agent, or employee
38 of any person entitled to receive notices as herein set forth any
39 duty to communicate the notice to the entitled person from the fact

1 that the mailing address used by the county recorder is the address
2 of the attorney, agent, or employee.

3 (d) Any deed of trust or mortgage with power of sale hereafter
4 executed upon real property or an estate for years therein may
5 contain a request that a copy of any notice of default and a copy
6 of any notice of sale thereunder shall be mailed to any person or
7 party thereto at the address of the person given therein, and a copy
8 of any notice of default and of any notice of sale shall be mailed
9 to each of these at the same time and in the same manner required
10 as though a separate request therefor had been filed by each of
11 these persons as herein authorized. If any deed of trust or mortgage
12 with power of sale executed after September 19, 1939, except a
13 deed of trust or mortgage of any of the classes excepted from the
14 provisions of Section 2924, does not contain a mailing address of
15 the trustor or mortgagor therein named, and if no request for special
16 notice by the trustor or mortgagor in substantially the form set
17 forth in this section has subsequently been recorded, a copy of the
18 notice of default shall be published once a week for at least four
19 weeks in a newspaper of general circulation in the county in which
20 the property is situated, the publication to commence within 10
21 business days after the filing of the notice of default. In lieu of
22 publication, a copy of the notice of default may be delivered
23 personally to the trustor or mortgagor within the 10 business days
24 or at any time before publication is completed, or by posting the
25 notice of default in a conspicuous place on the property and mailing
26 the notice to the last known address of the trustor or mortgagor.

27 (e) Any person required to mail a copy of a notice of default or
28 notice of sale to each trustor or mortgagor pursuant to subdivision
29 (b) or (c) by registered or certified mail shall simultaneously cause
30 to be deposited in the United States mail, with postage prepaid and
31 mailed by first-class mail, an envelope containing an additional
32 copy of the required notice addressed to each trustor or mortgagor
33 at the same address to which the notice is sent by registered or
34 certified mail pursuant to subdivision (b) or (c). The person shall
35 execute and retain an affidavit identifying the notice mailed,
36 showing the name and residence or business address of that person,
37 that he or she is over ~~the age of 18 years~~, *18 years of age*, the date
38 of deposit in the mail, the name and address of the trustor or
39 mortgagor to whom sent, and that the envelope was sealed and
40 deposited in the mail with postage fully prepaid. In the absence of

1 fraud, the affidavit required by this subdivision shall establish a
2 conclusive presumption of mailing.

3 (f) (1) Notwithstanding subdivision (a), with respect to separate
4 interests governed by an association, as defined in Section 4080,
5 the association may cause to be filed in the office of the recorder
6 in the county in which the separate interests are situated a request
7 that a mortgagee, trustee, or other person authorized to record a
8 notice of default regarding any of those separate interests mail to
9 the association a copy of any trustee's deed upon sale concerning
10 a separate interest. The request shall include a legal description or
11 the assessor's parcel number of all the separate interests. A request
12 recorded pursuant to this subdivision shall include the name and
13 address of the association and a statement that it is a homeowners'
14 association. Subsequent requests of an association shall supersede
15 prior requests. A request pursuant to this subdivision shall be
16 recorded before the filing of a notice of default. The mortgagee,
17 trustee, or other authorized person shall mail the requested
18 information to the association within 15 business days following
19 the date of the trustee's sale. Failure to mail the request, pursuant
20 to this subdivision, shall not affect the title to real property.

21 (2) A request filed pursuant to paragraph (1) does not, for
22 purposes of Section 27288.1 of the Government Code, constitute
23 a document that either effects or evidences a transfer or
24 encumbrance of an interest in real property or that releases or
25 terminates any interest, right, or encumbrance of an interest in real
26 property.

27 (g) No request for a copy of any notice filed for record pursuant
28 to this section, no statement or allegation in the request, and no
29 record thereof shall affect the title to real property or be deemed
30 notice to any person that any person requesting copies of notice
31 has or claims any right, title, or interest in, or lien or charge upon
32 the property described in the deed of trust or mortgage referred to
33 therein.

34 (h) "Business day," as used in this section, has the meaning
35 specified in Section 9.

36 *SEC. 6.5. Section 2924b of the Civil Code is amended to read:*

37 2924b. (a) Any person desiring a copy of any notice of default
38 and of any notice of sale under any deed of trust or mortgage with
39 power of sale upon real property or an estate for years therein, as
40 to which deed of trust or mortgage the power of sale cannot be

exercised until these notices are given for the time and in the manner provided in Section 2924 may, at any time subsequent to recordation of the deed of trust or mortgage and prior to recordation of notice of default thereunder, cause to be filed for record in the office of the recorder of any county in which any part or parcel of the real property is situated, a duly acknowledged request for a copy of the notice of default and of sale. This request shall be signed and acknowledged by the person making the request, specifying the name and address of the person to whom the notice is to be mailed, shall identify the deed of trust or mortgage by stating the names of the parties thereto, the date of recordation thereof, and the book and page where the deed of trust or mortgage is recorded or the recorder's number, and shall be in substantially the following form:

"In accordance with Section 2924b, Civil Code, request is hereby made that a copy of any notice of default and a copy of any notice of sale under the deed of trust (or mortgage) recorded _____, _____, in Book _____ page _____ records of _____ County, (or filed for record with recorder's serial number _____, _____ County) California, executed by _____ as trustor (or mortgagor) in which _____ is named as beneficiary (or mortgagee) and _____ as trustee be mailed to _____ at _____.

Name	Address
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NOTICE: A copy of any notice of default and of any notice of sale will be sent only to the address contained in this recorded request. If your address changes, a new request must be recorded.

Signature _____"

Upon the filing for record of the request, the recorder shall index in the general index of grantors the names of the trustors (or ~~mortgagor~~ mortgagors) recited therein and the names of persons requesting copies.

(b) The mortgagee, trustee, or other person authorized to record the notice of default or the notice of sale shall do each of the following:

(1) Within 10 business days following recordation of the notice of default, deposit or cause to be deposited in the United States mail an envelope, sent by registered or certified mail with postage prepaid, containing a copy of the notice with the recording date

1 shown thereon, addressed to each person whose name and address
2 are set forth in a duly recorded request therefor, directed to the
3 address designated in the request and to each trustor or mortgagor
4 at his or her last known address if different than the address
5 specified in the deed of trust or mortgage with power of sale.

6 (2) At least 20 days before the date of sale, deposit or cause to
7 be deposited in the United States mail an envelope, sent by
8 registered or certified mail with postage prepaid, containing a copy
9 of the notice of the time and place of sale, addressed to each person
10 whose name and address are set forth in a duly recorded request
11 therefor, directed to the address designated in the request and to
12 each trustor or mortgagor at his or her last known address if
13 different than the address specified in the deed of trust or mortgage
14 with power of sale.

15 (3) As used in paragraphs (1) and (2), the “last known address”
16 of each trustor or mortgagor means the last business or residence
17 physical address actually known by the mortgagee, beneficiary,
18 trustee, or other person authorized to record the notice of default.
19 For the purposes of this subdivision, an address is “actually known”
20 if it is contained in the original deed of trust or mortgage, or in
21 any subsequent written notification of a change of physical address
22 from the trustor or mortgagor pursuant to the deed of trust or
23 mortgage. For the purposes of this subdivision, “physical address”
24 does not include an e-mail or any form of electronic address for a
25 trustor or mortgagor. The beneficiary shall inform the trustee of
26 the trustor’s last address actually known by the beneficiary.
27 However, the trustee shall incur no liability for failing to send any
28 notice to the last address unless the trustee has actual knowledge
29 of it.

30 (4) A “person authorized to record the notice of default or the
31 notice of sale” shall include an agent for the mortgagee or
32 beneficiary, an agent of the named trustee, any person designated
33 in an executed substitution of trustee, or an agent of that substituted
34 trustee.

35 (c) The mortgagee, trustee, or other person authorized to record
36 the notice of default or the notice of sale shall do the following:

37 (1) Within one month following recordation of the notice of
38 default, deposit or cause to be deposited in the United States mail
39 an envelope, sent by registered or certified mail with postage
40 prepaid, containing a copy of the notice with the recording date

1 shown thereon, addressed to each person set forth in paragraph
2 (2), provided that the estate or interest of any person entitled to
3 receive notice under this subdivision is acquired by an instrument
4 sufficient to impart constructive notice of the estate or interest in
5 the land or portion thereof that is subject to the deed of trust or
6 mortgage being foreclosed, and provided the instrument is recorded
7 in the office of the county recorder so as to impart that constructive
8 notice prior to the recording date of the notice of default and
9 provided the instrument as so recorded sets forth a mailing address
10 that the county recorder shall use, as instructed within the
11 instrument, for the return of the instrument after recording, and
12 which address shall be the address used for the purposes of mailing
13 notices herein.

14 (2) The persons to whom notice shall be mailed under this
15 subdivision are:

16 (A) The successor in interest, as of the recording date of the
17 notice of default, of the estate or interest or any portion thereof of
18 the trustor or mortgagor of the deed of trust or mortgage being
19 foreclosed.

20 (B) The beneficiary or mortgagee of any deed of trust or
21 mortgage recorded subsequent to the deed of trust or mortgage
22 being foreclosed, or recorded prior to or concurrently with the
23 deed of trust or mortgage being foreclosed but subject to a recorded
24 agreement or a recorded statement of subordination to the deed of
25 trust or mortgage being foreclosed.

26 (C) The assignee of any interest of the beneficiary or mortgagee
27 described in subparagraph (B), as of the recording date of the notice
28 of default.

29 (D) The vendee of any contract of sale, or the lessee of any
30 lease, of the estate or interest being foreclosed that is recorded
31 subsequent to the deed of trust or mortgage being foreclosed, or
32 recorded prior to or concurrently with the deed of trust or mortgage
33 being foreclosed but subject to a recorded agreement or statement
34 of subordination to the deed of trust or mortgage being foreclosed.

35 (E) The successor in interest to the vendee or lessee described
36 in subparagraph (D), as of the recording date of the notice of
37 default.

38 (F) The office of the Controller, Sacramento, California, where,
39 as of the recording date of the notice of default, a "Notice of Lien

1 for Postponed Property Taxes” has been recorded against the real
2 property to which the notice of default applies.

3 (3) At least 20 days before the date of sale, deposit or cause to
4 be deposited in the United States mail an envelope, sent by
5 registered or certified mail with postage prepaid, containing a copy
6 of the notice of the time and place of sale addressed to each person
7 to whom a copy of the notice of default is to be mailed as provided
8 in paragraphs (1) and (2), and addressed to the office of any state
9 taxing agency, Sacramento, California, that has recorded,
10 subsequent to the deed of trust or mortgage being foreclosed, a
11 notice of tax lien prior to the recording date of the notice of default
12 against the real property to which the notice of default applies.

13 (4) Provide a copy of the notice of sale to the Internal Revenue
14 Service, in accordance with Section 7425 of the Internal Revenue
15 Code and any applicable federal regulation, if a “Notice of Federal
16 Tax Lien under Internal Revenue Laws” has been recorded,
17 subsequent to the deed of trust or mortgage being foreclosed,
18 against the real property to which the notice of sale applies. The
19 failure to provide the Internal Revenue Service with a copy of the
20 notice of sale pursuant to this paragraph shall be sufficient cause
21 to rescind the trustee’s sale and invalidate the trustee’s deed, at
22 the option of either the successful bidder at the trustee’s sale or
23 the trustee, and in either case with the consent of the beneficiary.
24 Any option to rescind the trustee’s sale pursuant to this paragraph
25 shall be exercised prior to any transfer of the property by the
26 successful bidder to a bona fide purchaser for value. A ~~recission~~
27 *rescission* of the trustee’s sale pursuant to this paragraph may be
28 recorded in a notice of ~~recission~~ *rescission* pursuant to Section
29 1058.5.

30 (5) The mailing of notices in the manner set forth in paragraph
31 (1) shall not impose upon any licensed attorney, agent, or employee
32 of any person entitled to receive notices as herein set forth any
33 duty to communicate the notice to the entitled person from the fact
34 that the mailing address used by the county recorder is the address
35 of the attorney, agent, or employee.

36 (d) Any deed of trust or mortgage with power of sale hereafter
37 executed upon real property or an estate for years therein may
38 contain a request that a copy of any notice of default and a copy
39 of any notice of sale thereunder shall be mailed to any person or
40 party thereto at the address of the person given therein, and a copy

1 of any notice of default and of any notice of sale shall be mailed
2 to each of these at the same time and in the same manner required
3 as though a separate request therefor had been filed by each of
4 these persons as herein authorized. If any deed of trust or mortgage
5 with power of sale executed after September 19, 1939, except a
6 deed of trust or mortgage of any of the classes excepted from the
7 provisions of Section 2924, does not contain a mailing address of
8 the trustor or mortgagor therein named, and if no request for special
9 notice by the trustor or mortgagor in substantially the form set
10 forth in this section has subsequently been recorded, a copy of the
11 notice of default shall be published once a week for at least four
12 weeks in a newspaper of general circulation in the county in which
13 the property is situated, the publication to commence within 10
14 business days after the filing of the notice of default. In lieu of
15 publication, a copy of the notice of default may be delivered
16 personally to the trustor or mortgagor within the 10 business days
17 or at any time before publication is completed, or by posting the
18 notice of default in a conspicuous place on the property and mailing
19 the notice to the last known address of the trustor or mortgagor.

20 (e) Any person required to mail a copy of a notice of default or
21 notice of sale to each trustor or mortgagor pursuant to subdivision
22 (b) or (c) by registered or certified mail shall simultaneously cause
23 to be deposited in the United States mail, with postage prepaid and
24 mailed by first-class mail, an envelope containing an additional
25 copy of the required notice addressed to each trustor or mortgagor
26 at the same address to which the notice is sent by registered or
27 certified mail pursuant to subdivision (b) or (c). The person shall
28 execute and retain an affidavit identifying the notice mailed,
29 showing the name and residence or business address of that person,
30 that he or she is over ~~the age of 18 years~~, *18 years of age*, the date
31 of deposit in the mail, the name and address of the trustor or
32 mortgagor to whom sent, and that the envelope was sealed and
33 deposited in the mail with postage fully prepaid. In the absence of
34 fraud, the affidavit required by this subdivision shall establish a
35 conclusive presumption of mailing.

36 (f) (1) Notwithstanding subdivision (a), with respect to separate
37 interests governed by an association, as defined in ~~subdivision (a)~~
38 ~~of Section 1351~~, *Section 4080 or 6528*, the association may cause
39 to be filed in the office of the recorder in the county in which the
40 separate interests are situated a request that a mortgagee, trustee,

1 or other person authorized to record a notice of default regarding
2 any of those separate interests mail to the association a copy of
3 any trustee's deed upon sale concerning a separate interest. The
4 request shall include a legal description or the assessor's parcel
5 number of all the separate interests. A request recorded pursuant
6 to this subdivision shall include the name and address of the
7 association and a statement that it is ~~a homeowners' association.~~
8 *an association as defined in Section 4080 or 4628.* Subsequent
9 requests of an association shall supersede prior requests. A request
10 pursuant to this subdivision shall be recorded before the filing of
11 a notice of default. The mortgagee, trustee, or other authorized
12 person shall mail the requested information to the association
13 within 15 business days following the date of the trustee's sale.
14 Failure to mail the request, pursuant to this subdivision, shall not
15 affect the title to real property.

16 (2) A request filed pursuant to paragraph (1) does not, for
17 purposes of Section 27288.1 of the Government Code, constitute
18 a document that either effects or evidences a transfer or
19 encumbrance of an interest in real property or that releases or
20 terminates any interest, right, or encumbrance of an interest in real
21 property.

22 (g) No request for a copy of any notice filed for record pursuant
23 to this section, no statement or allegation in the request, and no
24 record thereof shall affect the title to real property or be deemed
25 notice to any person that any person requesting copies of notice
26 has or claims any right, title, or interest in, or lien or charge upon
27 the property described in the deed of trust or mortgage referred to
28 therein.

29 (h) "Business day," as used in this section, has the meaning
30 specified in Section 9.

31 SEC. 7. Section 4005 of the Civil Code is amended to read:

32 4005. Division, part, title, chapter, article, and section headings
33 do not in any manner affect the scope, meaning, or intent of this
34 act.

35 SEC. 8. Section 4035 of the Civil Code is amended to read:

36 4035. (a) If a provision of this act requires that a document be
37 delivered to an association, the document shall be delivered to the
38 person designated in the annual policy statement, prepared pursuant
39 to Section 5310, to receive documents on behalf of the association.
40 If no person has been designated to receive documents, the

1 document shall be delivered to the president or secretary of the
2 association.

3 (b) A document delivered pursuant to this section may be
4 delivered by any of the following methods:

5 (1) By email, facsimile, or other electronic means, if the
6 association has assented to that method of delivery.

7 (2) By personal delivery, if the association has assented to that
8 method of delivery. If the association accepts a document by
9 personal delivery it shall provide a written receipt acknowledging
10 delivery of the document.

11 (3) By first-class mail, postage prepaid, registered or certified
12 mail, express mail, or overnight delivery by an express service
13 center.

14 SEC. 9. Section 4070 of the Civil Code is amended to read:

15 4070. If a provision of this act requires that an action be
16 approved by a majority of a quorum of the members, the action
17 shall be approved or ratified by an affirmative vote of a majority
18 of the votes represented and voting in a duly held election in which
19 a quorum is represented, which affirmative votes also constitute
20 a majority of the required quorum.

21 SEC. 10. Section 4090 of the Civil Code is amended to read:

22 4090. "Board meeting" means either of the following:

23 (a) A congregation, at the same time and place, of a sufficient
24 number of directors to establish a quorum of the board, to hear,
25 discuss, or deliberate upon any item of business that is within the
26 authority of the board.

27 (b) A teleconference, where a sufficient number of directors to
28 establish a quorum of the board, in different locations, are
29 connected by electronic means, through audio or video, or both.
30 A teleconference meeting shall be conducted in a manner that
31 protects the rights of members of the association and otherwise
32 complies with the requirements of this act. Except for a meeting
33 that will be held solely in executive session, the notice of the
34 teleconference meeting shall identify at least one physical location
35 so that members of the association may attend, and at least one
36 director or a person designated by the board shall be present at
37 that location. Participation by directors in a teleconference meeting
38 constitutes presence at that meeting as long as all directors
39 participating are able to hear one another, as well as members of
40 the association speaking on matters before the board.

1 SEC. 11. Section 4205 of the Civil Code is amended to read:

2 4205. (a) To the extent of any conflict between the governing
3 documents and the law, the law shall prevail.

4 (b) To the extent of any conflict between the articles of
5 incorporation and the declaration, the declaration shall prevail.

6 (c) To the extent of any conflict between the bylaws and the
7 articles of incorporation or declaration, the articles of incorporation
8 or declaration shall prevail.

9 (d) To the extent of any conflict between the operating rules
10 and the bylaws, articles of incorporation, or declaration, the bylaws,
11 articles of incorporation, or declaration shall prevail.

12 SEC. 12. Section 4290 of the Civil Code is amended to read:

13 4290. (a) The certificate consenting to the recordation of a
14 condominium plan that is required by subdivision (c) of Section
15 4285 shall be signed and acknowledged by all of the following
16 persons:

17 (1) The record owner of fee title to that property included in the
18 condominium project.

19 (2) In the case of a condominium project that will terminate
20 upon the termination of an estate for years, by all lessors and
21 lessees of the estate for years.

22 (3) In the case of a condominium project subject to a life estate,
23 by all life tenants and remainder interests.

24 (4) The trustee or the beneficiary of each recorded deed of trust,
25 and the mortgagee of each recorded mortgage encumbering the
26 property.

27 (b) Owners of mineral rights, easements, rights-of-way, and
28 other nonpossessory interests do not need to sign the certificate.

29 (c) In the event a conversion to condominiums of a community
30 apartment project or stock cooperative has been approved by the
31 required number of owners, trustees, beneficiaries, and mortgagees
32 pursuant to Section 66452.10 of the Government Code, the
33 certificate need only be signed by those owners, trustees,
34 beneficiaries, and mortgagees approving the conversion.

35 SEC. 13. Section 4350 of the Civil Code is amended to read:

36 4350. An operating rule is valid and enforceable only if all of
37 the following requirements are satisfied:

38 (a) The rule is in writing.

1 (b) The rule is within the authority of the board conferred by
2 law or by the declaration, articles of incorporation or association,
3 or bylaws of the association.

4 (c) The rule is not in conflict with governing law and the
5 declaration, articles of incorporation or association, or bylaws of
6 the association.

7 (d) The rule is adopted, amended, or repealed in good faith and
8 in substantial compliance with the requirements of this article.

9 (e) The rule is reasonable.

10 SEC. 14. Section 4525 of the Civil Code is amended to read:

11 4525. (a) The owner of a separate interest shall provide the
12 following documents to a prospective purchaser of the separate
13 interest, as soon as practicable before the transfer of title or the
14 execution of a real property sales contract, as defined in Section
15 2985:

16 (1) A copy of all governing documents. If the association is not
17 incorporated, this shall include a statement in writing from an
18 authorized representative of the association that the association is
19 not incorporated.

20 (2) If there is a restriction in the governing documents limiting
21 the occupancy, residency, or use of a separate interest on the basis
22 of age in a manner different from that provided in Section 51.3, a
23 statement that the restriction is only enforceable to the extent
24 permitted by Section 51.3 and a statement specifying the applicable
25 provisions of Section 51.3.

26 (3) A copy of the most recent documents distributed pursuant
27 to Article 7 (commencing with Section 5300) of Chapter 6.

28 (4) A true statement in writing obtained from an authorized
29 representative of the association as to the amount of the
30 association's current regular and special assessments and fees, any
31 assessments levied upon the owner's interest in the common
32 interest development that are unpaid on the date of the statement,
33 and any monetary fines or penalties levied upon the owner's
34 interest and unpaid on the date of the statement. The statement
35 obtained from an authorized representative shall also include true
36 information on late charges, interest, and costs of collection which,
37 as of the date of the statement, are or may be made a lien upon the
38 owner's interest in a common interest development pursuant to
39 Article 2 (commencing with Section 5650) of Chapter 8.

(5) A copy or a summary of any notice previously sent to the owner pursuant to Section 5855 that sets forth any alleged violation of the governing documents that remains unresolved at the time of the request. The notice shall not be deemed a waiver of the association's right to enforce the governing documents against the owner or the prospective purchaser of the separate interest with respect to any violation. This paragraph shall not be construed to require an association to inspect an owner's separate interest.

(6) A copy of the initial list of defects provided to each member pursuant to Section 6000, unless the association and the builder subsequently enter into a settlement agreement or otherwise resolve the matter and the association complies with Section 6100. Disclosure of the initial list of defects pursuant to this paragraph does not waive any privilege attached to the document. The initial list of defects shall also include a statement that a final determination as to whether the list of defects is accurate and complete has not been made.

(7) A copy of the latest information provided for in Section 6100.

(8) Any change in the association's current regular and special assessments and fees which have been approved by the board, but have not become due and payable as of the date disclosure is provided pursuant to this subdivision.

(9) If there is a provision in the governing documents that prohibits the rental or leasing of any of the separate interests in the common interest development to a renter, lessee, or tenant, a statement describing the prohibition.

(10) If requested by the prospective purchaser, a copy of the minutes of board meetings, excluding meetings held in executive session, conducted over the previous 12 months, that were approved by the board.

(b) This section does not apply to an owner that is subject to Section 11018.6 of the Business and Professions Code.

SEC. 15. Section 4528 of the Civil Code is amended to read: 4528. The form for billing disclosures required by Section 4530 shall be in at least 10-point type and substantially the following form:

CHARGES FOR DOCUMENTS PROVIDED AS REQUIRED BY SECTION 4525*

1
2
3 Property Address
4
5 Owner of Property
6
7 Owner's Mailing Address (If known or different from property address.)
8
9
10 Provider of the Section 4525 Items:
11
12
13
14 Print Name _____ Position or Title _____ Association or Agent
15
16 Date Form Completed
17
18 Check or Complete Applicable Column or Columns Below
19
20
21 Document Civil Code Section Not Available
22 Included (N/A) or Not
23 Applicable
24 (N/App)
25 Articles of Incorporation or Section 4525(a)(1)
26 statement that not incorporated
27
28 CC&Rs Section 4525(a)(1)
29
30 Bylaws Section 4525(a)(1)
31
32 Operating Rules Section 4525(a)(1)
33
34 Age restrictions, if any Section 4525(a)(2)
35 Rental restrictions, if any Section 4525(a)(9)
36 Annual budget report or summary, Sections 5300 and
37 including reserve study 4525(a)(3)
38
39 Assessment and reserve funding Sections 5300 and
40 disclosure summary 4525(a)(4)

1		
2	Financial statement review	Sections 5305 and
3		4525(a)(3)
4		
5	Assessment enforcement policy	Sections 5310 and
6		4525(a)(4)
7		
8	Insurance summary	Sections 5300 and
9		4525(a)(3)
10		
11	Regular assessment	Section 4525(a)(4)
12		
13	Special assessment	Section 4525(a)(4)
14		
15	Emergency assessment	Section 4525(a)(4)
16		
17	Other unpaid obligations of seller	Sections 5675 and
18		4525(a)(4)
19		
20	Approved changes to assessments	Sections 5300 and
21		4525(a)(4), (8)
22		
23	Settlement notice regarding	Sections 4525(a)(6),
24	common area defects	(7), and 6100
25		
26	Preliminary list of defects	Sections 4525(a)(6),
27		6000, and 6100
28		
29	Notice(s) of violation	Sections 5855 and
30		4525(a)(5)
31		
32	Required statement of fees	Section 4525
33		
34	Minutes of regular board meetings	Section 4525(a)(10)
35	conducted over the previous 12	
36	months, if requested	
37		
38	Total fees for these documents:	
39		

* The information provided by this form may not include all fees that may be imposed before the close of escrow. Additional fees that are not related to the requirements of Section 4525 may be charged separately.

SEC. 16. Section 4530 of the Civil Code is amended to read:

4530. (a) (1) Upon written request, the association shall, within 10 days of the mailing or delivery of the request, provide the owner of a separate interest, or any other recipient authorized by the owner, with a copy of the requested documents specified in Section 4525.

(2) The documents required to be made available pursuant to this section may be maintained in electronic form, and may be posted on the association's Internet Web site. Requesting parties shall have the option of receiving the documents by electronic transmission if the association maintains the documents in electronic form.

(3) Delivery of the documents required by this section shall not be withheld for any reason nor subject to any condition except the payment of the fee authorized pursuant to subdivision (b).

(b) (1) The association may collect a reasonable fee based upon the association's actual cost for the procurement, preparation, reproduction, and delivery of the documents requested pursuant to this section. Additional fees shall not be charged by the association for the electronic delivery of the documents requested.

(2) Upon receipt of a written request, the association shall provide, on the form described in Section 4528, a written or electronic estimate of the fees that will be assessed for providing the requested documents.

(3) (A) A cancellation fee for documents specified in subdivision (a) shall not be collected if either of the following applies:

(i) The request was canceled in writing by the same party that placed the order and work had not yet been performed on the order.

(ii) The request was canceled in writing and any work that had been performed on the order was compensated.

(B) The association shall refund all fees collected pursuant to paragraph (1) if the request was canceled in writing and work had not yet been performed on the order.

1 (C) If the request was canceled in writing, the association shall
2 refund the share of fees collected pursuant to paragraph (1) that
3 represents the portion of the work not performed on the order.

4 (4) Fees for any documents required by this section shall be
5 distinguished from other fees, fines, or assessments billed as part
6 of the transfer or sales transaction.

7 (c) An association may contract with any person or entity to
8 facilitate compliance with this section on behalf of the association.

9 (d) The association shall also provide a recipient authorized by
10 the owner of a separate interest with a copy of the completed form
11 specified in Section 4528 at the time the required documents are
12 delivered.

13 SEC. 17. Section 4920 of the Civil Code is amended to read:

14 4920. (a) Except as provided in subdivision (b), the association
15 shall give notice of the time and place of a board meeting at least
16 four days before the meeting.

17 (b) (1) If a board meeting is an emergency meeting held
18 pursuant to Section 4923, the association is not required to give
19 notice of the time and place of the meeting.

20 (2) If a nonemergency board meeting is held solely in executive
21 session, the association shall give notice of the time and place of
22 the meeting at least two days prior to the meeting.

23 (3) If the association's governing documents require a longer
24 period of notice than is required by this section, the association
25 shall comply with the period stated in its governing documents,
26 except for a notice of an emergency meeting or a meeting held
27 solely in executive session when the governing documents do not
28 specifically provide a period of notice for these meetings.

29 (c) Notice of a board meeting shall be given by general delivery
30 pursuant to Section 4045.

31 (d) Notice of a board meeting shall contain the agenda for the
32 meeting.

33 SEC. 18. Section 12191 of the Government Code is amended
34 to read:

35 12191. The miscellaneous business entity filing fees are the
36 following:

37 (a) Foreign Associations, as defined in Sections 170 and 171
38 of the Corporations Code:

1 (1) Filing the statement and designation upon the qualification
2 of a foreign association pursuant to Section 2105 of the
3 Corporations Code: One hundred dollars (\$100).

4 (2) Filing an amended statement and designation by a foreign
5 association pursuant to Section 2107 of the Corporations Code:
6 Thirty dollars (\$30).

7 (3) Filing a certificate showing the surrender of the right of a
8 foreign association to transact intrastate business pursuant to
9 Section 2112 of the Corporations Code: No fee.

10 (b) Unincorporated Associations:

11 (1) Filing a statement in accordance with Section 18200 of the
12 Corporations Code as to principal place of office or place for
13 sending notices or designating agent for service: Twenty-five
14 dollars (\$25).

15 (2) Insignia Registrations: Ten dollars (\$10).

16 (c) Community Associations and Common Interest
17 Developments:

18 (1) Filing a statement by a community association in accordance
19 with Section 5405 of the Civil Code to register the common interest
20 development that it manages: An amount not to exceed thirty
21 dollars (\$30).

22 (2) Filing an amended statement by a community association
23 in accordance with Section 5405 of the Civil Code: No fee.

24 SEC. 19. Section 65582 of the Government Code is amended
25 to read:

26 65582. As used in this article, the following definitions apply:

27 (a) “Community,” “locality,” “local government,” or
28 “jurisdiction” means a city, city and county, or county.

29 (b) “Council of governments” means a single or multicounty
30 council created by a joint powers agreement pursuant to Chapter
31 5 (commencing with Section 6500) of Division 1 of Title 1.

32 (c) “Department” means the Department of Housing and
33 Community Development.

34 (d) “Emergency shelter” has the same meaning as defined in
35 subdivision (e) of Section 50801 of the Health and Safety Code.

36 (e) “Housing element” or “element” means the housing element
37 of the community’s general plan, as required pursuant to this article
38 and subdivision (c) of Section 65302.

39 (f) “Supportive housing” means housing with no limit on length
40 of stay, that is occupied by the target population, and that is linked

1 to an onsite or offsite service that assists the supportive housing
2 resident in retaining the housing, improving his or her health status,
3 and maximizing his or her ability to live and, when possible, work
4 in the community.

5 (g) “Target population” means persons with low incomes who
6 have one or more disabilities, including mental illness, HIV or
7 AIDS, substance abuse, or other chronic health condition, or
8 individuals eligible for services provided pursuant to the Lanterman
9 Developmental Disabilities Services Act (Division 4.5
10 (commencing with Section 4500) of the Welfare and Institutions
11 Code) and may include, among other populations, adults,
12 emancipated minors, families with children, elderly persons, young
13 adults aging out of the foster care system, individuals exiting from
14 institutional settings, veterans, and homeless people.

15 (h) “Transitional housing” means buildings configured as rental
16 housing developments, but operated under program requirements
17 that require the termination of assistance and recirculating of the
18 assisted unit to another eligible program recipient at a
19 predetermined future point in time that shall be no less than six
20 months from the beginning of the assistance.

21 SEC. 20. Section 65585.2 of the Government Code is repealed.

22 SEC. 21. Section 13114 of the Health and Safety Code is
23 amended to read:

24 13114. (a) The State Fire Marshal, with the advice of the State
25 Board of Fire Services, shall adopt regulations and standards as
26 he or she may determine to be necessary to control the quality and
27 installation of fire alarm systems and fire alarm devices marketed,
28 distributed, offered for sale, or sold in this state.

29 (b) (1) No person shall market, distribute, offer for sale, or sell
30 any fire alarm system or fire alarm device in this state unless the
31 system or device has been approved and listed by the State Fire
32 Marshal.

33 (2) (A) Except as provided in subparagraph (B), commencing
34 July 1, 2014, in order to be approved and listed by the State Fire
35 Marshal, a smoke alarm that is only operated by a battery shall
36 contain a nonreplaceable, nonremovable battery that is capable of
37 powering the smoke alarm for at least 10 years.

38 (B) This paragraph shall not apply to smoke alarms that have
39 been ordered by, or are in the inventory of, an owner, managing

1 agent, contractor, wholesaler, or retailer on or before *July 1, 2014*,
2 *until* July 1, 2015.

3 (3) ~~(A)~~—Commencing January 1, 2015, in order to be approved
4 and listed by the State Fire Marshal, a smoke alarm shall display
5 the date of manufacture on the device, provide a place on the device
6 where the date of installation can be written, and incorporate a
7 hush feature.

8 ~~(B)~~

9 (4) The State Fire Marshal shall have the authority to create
10 exceptions to ~~this paragraph~~ *paragraphs (2) and (3)* through its
11 regulatory process. The exceptions that may be considered as part
12 of the regulatory process shall include, but are not limited to, fire
13 alarm systems with smoke detectors, fire alarm devices that connect
14 to a panel, or other devices that use a low-power radio frequency
15 wireless communication signal.

16 ~~(4)~~

17 (5) The State Fire Marshal shall approve the manufacturer's
18 instructions for each smoke alarm and shall ensure that the
19 instructions are consistent with current building standard
20 requirements for the location and placement of smoke alarms.

21 SEC. 22. Section 50675.14 of the Health and Safety Code is
22 amended to read:

23 50675.14. (a) This section shall apply only to projects funded
24 with funds appropriated for supportive housing projects.

25 (b) For purposes of this section the following terms have the
26 following meanings:

27 (1) "May restrict occupancy to persons with veteran status"
28 means that the sponsor may limit occupancy to persons meeting
29 the criteria of paragraphs (1) and (2) of subdivision (j) with respect
30 to either of the following:

31 (A) Any unit in the development that has not been previously
32 occupied.

33 (B) Any unit in the development that subsequently becomes
34 vacant, for a period of not more than 120 days following the
35 vacancy.

36 (2) "Supportive housing" means housing with no limit on length
37 of stay, that is occupied by the target population, and that is linked
38 to onsite or offsite services that assist the supportive housing
39 resident in retaining the housing, improving his or her health status,

1 and maximizing his or her ability to live and, when possible, work
2 in the community.

3 (3) (A) “Target population” means persons, including persons
4 with disabilities, and families who are “homeless,” as that term is
5 defined by Section 11302 of Title 42 of the United States Code,
6 or who are “homeless youth,” as that term is defined by paragraph
7 (2) of subdivision (e) of Section 11139.3 of the Government Code.

8 (B) Individuals and families currently residing in supportive
9 housing meet the definition of “target population” if the individual
10 or family was “homeless,” as that term is defined by Section 11302
11 of Title 42 of the United States Code, when approved for tenancy
12 in the supportive housing project in which they currently reside.

13 (c) (1) The department shall ensure that at least 40 percent of
14 the units in each development funded under the supportive housing
15 program are targeted to one or more of the following populations:

16 (A) Individuals or families experiencing “chronic
17 homelessness,” as defined by the United States Department of
18 Housing and Urban Development’s Super Notice of Funding
19 Availability for Continuum of Care or Collaborative Applicant
20 Program.

21 (B) “Homeless youth,” as that term is defined by paragraph (2)
22 of subdivision (e) of Section 11139.3 of the Government Code.

23 (C) Individuals exiting institutional settings, including, but not
24 limited to, jails, hospitals, prisons, and institutes of mental disease,
25 who were homeless when entering the institutional setting, who
26 have a disability, and who resided in that setting for a period of
27 not less than 15 days.

28 (2) The department may decrease the number of units required
29 to meet the criteria identified in paragraph (1) if the department
30 determines that the program is undersubscribed after issuing at
31 least one Notice of Funding Availability.

32 (3) Individuals and families currently residing in supportive
33 housing meet the qualifications under this subdivision if the
34 individual or family met any of the criteria specified in
35 subparagraph (A), (B), or (C) of paragraph (1) when approved for
36 tenancy in the supportive housing project in which they currently
37 reside.

38 (d) Supportive housing projects shall provide or demonstrate
39 collaboration with programs that provide services that meet the
40 needs of the supportive housing residents.

1 (e) The criteria, established by the department, for selecting
2 supportive housing projects shall give priority to supportive
3 housing projects that include a focus on measurable outcomes and
4 a plan for evaluation, which evaluation shall be submitted by the
5 borrowers, annually, to the department.

6 (f) The department may provide higher per-unit loan limits as
7 reasonably necessary to provide and maintain rents that are
8 affordable to the target population.

9 (g) In an evaluation or ranking of a borrower's development
10 and ownership experience, the department shall consider experience
11 acquired in the prior 10 years.

12 (h) (1) A borrower shall, beginning the second year after
13 supportive housing project occupancy, include the following data
14 in his or her annual report to the department. However, a borrower
15 who submits an annual evaluation pursuant to subdivision (c) may,
16 instead, include this information in the evaluation:

17 (A) The length of occupancy by each supportive housing
18 resident for the period covered by the report and, if the resident
19 has moved, the reason for the move and the type of housing to
20 which the resident moved, if known.

21 (B) Changes in each supportive housing resident's employment
22 status during the previous year.

23 (C) Changes in each supportive housing resident's source and
24 amount of income during the previous year.

25 (D) The tenant's housing status prior to occupancy, including
26 the term of the tenant's homelessness.

27 (2) The department shall include aggregate data with respect to
28 the supportive housing projects described in this section in the
29 report that it submits to the Legislature pursuant to Section
30 50675.12.

31 (i) The department shall consider, commencing in the second
32 year of the funding, the feasibility and appropriateness of
33 modifying its regulations to increase the use of funds by small
34 projects. In doing this, the department shall consider its operational
35 needs and prior history of funding supportive housing facilities.

36 (j) Notwithstanding any other provision of law, the sponsor of
37 a supportive housing development may restrict occupancy to
38 persons with veteran status if all the following conditions apply:

39 (1) The veterans possess significant barriers to social
40 reintegration and employment that require specialized treatment

1 and services that are due to a physical or mental disability,
2 substance abuse, or the effects of long-term homelessness.

3 (2) The veterans are otherwise eligible to reside in an assisted
4 unit.

5 (3) The sponsor also provides, or assists in providing, the
6 specialized treatment and services.

7 *SEC. 23. Section 6.5 of this bill incorporates amendments to*
8 *Section 2924b of the Civil Code proposed by both this bill and*
9 *Senate Bill 752. It shall only become operative if (1) both bills are*
10 *enacted and become effective on or before January 1, 2014, (2)*
11 *each bill amends Section 2924b of the Civil Code, and (3) this bill*
12 *is enacted after Senate Bill 752, in which case Section 6 of this*
13 *bill shall not become operative.*